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Independent Accountants' Report

The Board of Directors of
Broadwing Communications, LLC:

We have examined management's assertion, included in the accompanying *Report of Management on Compliance with Applicable Requirements of Section 64.1310(a)(1) of the Federal Communications Commission's ("FCC") Rules and Regulations*, that Broadwing Communications, LLC ("the Company") complied with Section 64.1310(a)(1) of the FCC's Rules and Regulations as of July 1, 2004. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements as of July 1, 2004, is fairly stated in all material respects, based upon compliance factors set forth in Section 64.1320(c) of the FCC's Rules and Regulations and in management's assertion.

This report is intended solely for the information and use of the Company, the FCC, and applicable Facilities-Based Long Distance Carriers and Payphone Service Providers and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Denver, Colorado
July 1, 2004



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Report of Management on Compliance with Applicable Requirements of Section 64.1310(a)(1) of the FCC's Rules and Regulations

Management of Broadwing Communications, LLC ("Broadwing" or the "Company") is responsible for establishing and maintaining adequate systems and processes for its Pay Telephone Call Tracking System and for ensuring the Company's compliance with the applicable requirements of Section 64.1310(a)(1) of the FCC's Rules and Regulations ("Section 64.1310(a)(1)").

Management has performed an evaluation of the Company's compliance with the applicable requirements of Section 64.1310(a)(1) using the criteria in Section 64.1320(c) of the FCC's Rules and Regulations as the framework for the evaluation. Based on this evaluation, we assert that as of July 1, 2004, the Company complies with all applicable requirements of Section 1310(a)(1).

We have prepared the required assertion statements relating to Broadwing's Payphone Call Tracking Systems.

Broadwing is acknowledged as the "Completing Carrier" in the following call scenarios:

- Retail Toll Free (On-net)
- Retail Toll Free (Off-net Origination)
- Retail Calling Card (On-net)
- Retail Calling Card (Off-net)
- Retail Audio Conference
- Wholesale (switched-less) Toll Free (On-net)
- Wholesale (switched-less) Toll Free (Off-net Origination)
- Wholesale (switched-less) Calling Card (On-net)
- Wholesale (switched-less) Calling Card (Off-net)
- Wholesale (switched-less) Audio Conference
- Wholesale (switched) Toll Free (Off-net Termination)

All assertions for Broadwing are from the point Broadwing has visibility to the call tracking data.

Broadwing uses the National Payphone Clearinghouse ("NPC") for payphone compensation settlement. Broadwing has obtained and relied upon third-party assurance from NPC to verify that controls and procedures relating to these assertions have been established and maintained by NPC. An independent assessment of the effectiveness of such controls has been performed by an independent accounting firm.

Broadwing represents the following assertions where it is identified as the Completing Carrier:

FCC Compliance Factor (1) – Broadwing's ("Completing Carrier") procedures accurately track calls to completion.

- Broadwing's business definitions and procedures agree with FCC rules for "Compensable Call".

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- Broadwing's business definitions and procedures agree with FCC rules for "Completed Call".
- Broadwing's procedures agree with FCC rules for "Reporting Requirements" (via NPC) for compensable calls.
- Broadwing definitions and procedures for establishing the "per-call" rate are in compliance with FCC rules.
- Broadwing's procedures for validating payphone ANIs are complete and accurate.

FCC Compliance Factor (2) – Broadwing ("Completing Carrier") has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone-completed calls.

- Broadwing has designated personnel that are responsible for drafting the business requirements associated with tracking, compensating, and resolving disputes concerning payphone compensated calls.
- Broadwing has designated personnel who are responsible for payphone compensation dispute resolution.
- Broadwing has personnel responsible as point of contact with NPC.
- Broadwing has personnel responsible in maintaining continual relationship with third party service provider related to payphone compensation.

FCC Compliance Factor (3) - Broadwing ("Completing Carrier") has effective data monitoring procedures.

- Broadwing tracks all call detail records ("CDR") including payphone CDRs.
- Broadwing stores data for excluded CDRs and issues call rejection reports (excluded calls) for overall billing system.
- Broadwing issues monthly and quarterly reports on payphone call counts, PSP Identities, Numbers Called and info-digits, etc.
- Broadwing issues reports on trends of switch traffic volumes entering payphone compensation systems.
- Broadwing has the ability to develop custom reports in order to resolve PSP disputes.

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FCC Compliance Factor (4) - Broadwing ("Completing Carrier") adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability.

- Broadwing has logical access controls to restrict access to payphone and billing systems to Operations personnel.
- Broadwing has security controls in place to monitor access to the call tracking system.
- Broadwing payphone software and development area are protected.
- NPC provides security controls for the payment distribution systems (for both controlling and monitoring systems access).
- Software and source code systems are in place to track changes to payphone systems.
- Broadwing implements QA and UAT testing to software affecting payphone compensation.
- Broadwing has application controls in place to ensure that network changes, external to payphone compensation do not negatively impact payphone compensation.
- Broadwing has established/identified a person(s) or department(s) that is/are responsible for making software changes that affect payphone compensation.
- Broadwing has designated personnel responsible for the development and maintenance of systems used in the collection and reporting of payphone call data.
- Broadwing has designated personnel who are responsible for developing compensation tracking reports.

FCC Compliance Factor (5) – Broadwing ("Completing Carrier") creates a compensable payphone call file by matching call detail records against payphone identifiers.

- Broadwing payphone call data is collected from network switch records and off-net carrier files. All required data fields for a call record are stored in the payphone database table. This table is the source for compensable payphone reports to the NPC.
- Broadwing uses info-digits and ANI lists (provided by NPC) to identify payphone calls for storage in the payphone database.

FCC Compliance Factor (6) – Broadwing ("Completing Carrier") has procedures to incorporate call data into required reports.

- Business rules are in place to determine Intermediate and Completing carrier records on a call-by-call basis.

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- The Clearinghouse attests to the required reports and a complete list of PSPs.
- Each quarter, Broadwing provides a report to the PSP, in a "computer readable format," that includes:
 - a) A list of the toll free and access numbers dialed from each of the PSP's payphones along with the ANI for each payphone;
 - b) The volume of calls for each toll free and access number that were completed by the Completing Carrier;
 - c) The CIC code of all facilities-based carriers that routed calls to the Completing Carrier categorized according to toll-free and access code numbers.
- Broadwing's business definitions and procedures agree with FCC rules for identifying PSPs.

FCC Compliance Factor (7) - Broadwing ("Completing Carrier") has implemented procedures and controls needed to resolve payphone compensation disputes.

- Broadwing procedures agree with FCC rules for data storage requirements.
- Broadwing has the ability to produce reports capable of identifying payphone compensation disputes.
- Broadwing has identified staff person(s) responsible for handling/resolving disputes.
- Broadwing has filed with the Commission's Secretary, facilities-based carriers and PSPs a statement including: name of Completing Carrier, and the name(s), address(es) and phone number(s) for the person(s) responsible for handling payment and resolving disputes. This statement shall be updated within 60 days of changes (pursuant to Section 64.1320(e) of the FCC's Rules and Regulations).
- NPC is the primary contact for PSP disputes.

FCC Compliance Factor (8) – Critical controls and procedures have been implemented by Broadwing ("Completing Carrier") to verify that errors are immaterial.

- Appropriate business rules for determining payphone call by info-digits are in billing system.
- Incomplete calls are subject to business rules in the system and set aside as non-billable.
- Broadwing controls and procedures generally provide that switch data is accurately populated into the payphone compensation file.
- All call records in error (rejects) are examined and reprocessed.

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- Broadwing controls and procedures provide for the capturing of dial-around calls.
- Broadwing controls and procedures exclude commissioned calls from the payphone compensation file.

FCC Compliance Factor (9) – Broadwing (“Completing Carrier”) has in place adequate and effective business rules for implementing and paying payphone compensation, including rules used to: (i) identify calls originated from payphones; (ii) identify compensable payphone calls; (iii) identify incomplete or otherwise non-compensable calls; and (iv) determine the identities of the payphone service providers to which Completing carrier owes compensation.

- Broadwing has implemented business rules that identify calls originated from payphones.
- Broadwing has implemented business rules that identify compensable payphone calls.
- Broadwing has implemented business rules that identify incomplete or otherwise non-compensable calls.
- Broadwing has implemented business rules that determine the identities of the payphone service providers to which Completing carrier owes compensation. Broadwing's Clearinghouse (NPC) service has all needed business rules specific to the PSPs and their identity.

Broadwing's Required Disclosures per Section 64.1320(d) of the FCC's Rules and Regulations

- Broadwing's criteria for identifying calls originating from payphones include call record info-digit identification of 27, 29 or 70 and call record info-digit identification of 07 and 23 with originating ANI matching payphone-identified originating ANI.
- Broadwing's criteria for identifying compensable payphone calls include all calls with info-digits 27, 29 or 70, calls with info-digits 07 and 23 with originating ANI matching payphone-identified originating ANI, and call duration greater than 0. Calls originating from payphones where Broadwing has a separate compensation agreement in place are excluded from the Compensable Call File.
- Broadwing's criteria for identifying incomplete or otherwise noncompensable calls include: 1) calls that do not have info-digits 07, 23, 27, 29 or 70, 2) calls that have info-digits 07 and 23 with originating ANI not matching payphone-identified originating ANI, 3) calls with a duration of 0, or 4) calls that originate from payphones where Broadwing has a separate compensation agreement in place.

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- Broadwing's criteria used to determine the identities of the PSPs to which Broadwing owes compensation is established by NPC, Broadwing's clearinghouse for settlements.
- The type of information that Broadwing needs from the PSPs in order to compensate the PSPs is determined by NPC.

Dated: July 1, 2004



Lynn D. Anderson, CFO
Broadwing Communications, LLC